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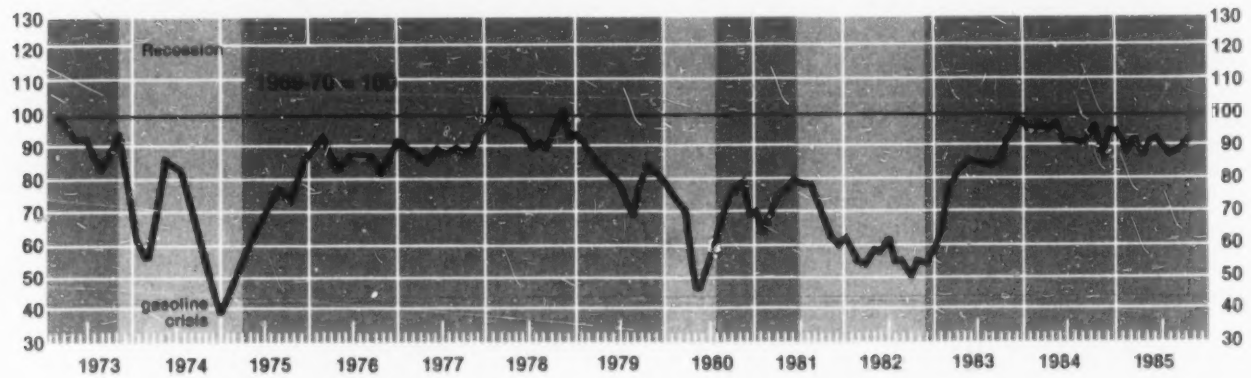
Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board
Based on a Survey Conducted by NFO Research, Inc.

Consumer Confidence Index

December, 1985



CONSUMERS MORE CONFIDENT PLANS TO BUY CONTINUE MIXED

Consumers are entering the new year in a mood of cautious optimism. The Board's Confidence Index (1969-70 = 100) registered 92.1 in November, a gain of more than two points for the month. With minor fluctuations, the Index has hovered around its present level for well over a year.

Consumers are moderately more positive in assessing the ongoing situation. In the latest probe the number of those who consider business conditions to be "good" was up marginally. But concern about jobs continues. While some 20% report that jobs are "plentiful," about 30% complain that they are "hard to get." This has been the situation throughout most of the past year.

In looking ahead to the next six months, consumers are, on balance, more optimistic than last time. On the question of likely trends in business conditions, fewer persons fear they will worsen, but fewer expect conditions to improve. Concerning jobs, the response pattern was similar. However, about 29% of all respondents expect their earnings to increase over the next months, a gain of 1.5 points, while only 7.7 %, a drop of a full point, are concerned that their incomes will decline.

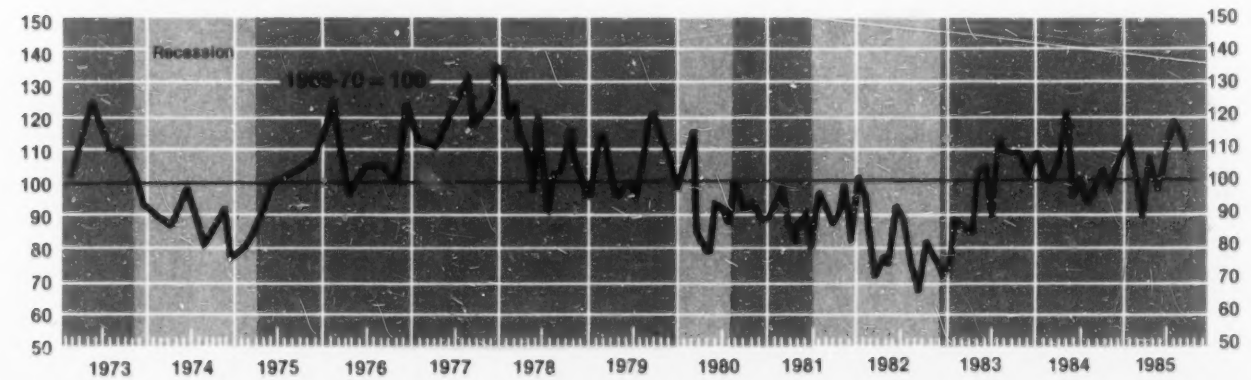
Plans to buy an automobile turned up slightly after a decline in the preceding month. In this survey, 9.2% of all those contacted said they whould purchase an automobile, up from 8.7% a month earlier.

Plans to buy a home were also up in November, to 3.9% of the survey sample from a prior 3.6 percent. However, interest in major appliances, which jumped sharply in October, gave back all of the gain in November, and then some.

On balance, the consumers' spirits continue to be remarkably constant. Confidence, which rose sharply in the business recovery, reached a recent peak in late 1983 and has remained at about that level for roughly the past two years. This is reassuring since the economic growth rate has been less than inspiring over the past eighteen months or so. While the latest news from the consumer does not suggest a strong increase in economic activity in the coming months, it does indicate at least modest growth as we enter the new year.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

All series seasonally adjusted	1984 Oct.	1984 Nov.	1984 Dec.	1985 Jan.	1985 Feb.	1985 Mar.	1985 Apr.	1985 May	1985 Jun.	1985 Jul.	1985 Aug.	1985 Sep.	1985 Oct. (r)	1985 Nov. (p)
							Composite Series: Index Numbers, 1969-1970 = 100							
Consumer Confidence Index	91.5	96.8	85.9	95.4	95.8	87.8	93.1	87.2	91.5	92.1	89.8	88.2	89.9	92.1
Present Situation	76.7	81.0	72.1	83.2	83.2	78.7	85.1	80.4	82.9	82.5	75.7	77.6	80.8	82.1
Expectations	101.3	107.3	95.0	103.6	104.1	93.8	98.4	91.7	97.3	98.5	99.2	95.3	95.9	98.8
Buying Plans Index	98.5	102.7	96.2	102.3	107.1	113.8	101.4	88.8	107.6	97.7	105.3	119.5	117.2	109.6
							Appraisal of Present Situation: Percent							
Business Conditions														
Good	26.9	29.6	25.6	29.4	28.8	28.3	29.5	28.3	29.0	27.8	25.6	26.3	27.7	28.0
Bad	19.7	20.1	22.0	19.1	19.6	19.8	18.1	20.3	20.1	19.8	23.9	21.9	21.7	20.7
Normal	53.4	50.3	52.4	51.5	51.6	51.9	52.4	51.4	50.9	52.4	50.5	51.8	50.6	51.3
Employment														
Jobs plentiful	16.9	19.1	16.5	18.8	19.8	17.7	19.0	19.1	20.3	19.5	18.8	19.4	19.8	19.8
Jobs not so plentiful	49.9	47.8	48.5	50.9	49.4	49.1	51.3	48.7	48.2	50.3	50.0	47.9	49.7	50.0
Jobs hard to get	33.2	33.1	35.3	30.3	30.8	33.2	29.7	32.2	31.5	30.2	31.2	32.7	30.5	30.2
							Expectations for Six Months Hence: Percent							
Business Conditions														
Better	24.3	26.1	20.0	22.0	23.7	19.5	19.7	18.3	20.5	19.9	21.3	20.2	22.3	21.2
Worse	8.3	8.6	10.2	7.5	7.5	9.6	8.2	9.1	8.7	7.8	9.1	9.3	10.8	8.8
Same	67.4	65.3	69.8	70.5	68.8	70.9	72.1	72.6	70.8	72.3	69.6	70.5	66.9	70.0
Employment														
More jobs	18.5	19.2	16.4	17.9	17.2	14.3	15.0	13.4	15.2	15.2	16.6	15.3	17.3	16.5
Fewer jobs	16.8	13.7	17.2	14.3	13.7	16.7	15.0	16.9	16.0	15.4	15.0	17.0	17.5	16.5
Same	64.7	67.1	66.4	67.8	69.1	69.0	70.0	69.7	68.8	69.4	68.4	67.7	65.2	67.0
Income														
Increase	29.1	30.9	26.7	28.9	26.1	26.9	26.2	25.6	27.7	26.7	26.2	27.4	28.4	28.9
Decrease	8.6	6.8	7.9	8.2	7.7	7.9	7.2	8.2	7.7	7.7	7.6	7.9	8.6	7.7
Same	62.3	62.3	65.4	62.9	66.2	65.2	66.6	66.2	64.6	65.6	66.2	64.7	63.0	63.4
							Plans to Buy Within Six Months: Percent							
Automobile														
Yes	7.9	8.5	8.1	8.9	9.2	10.1	7.9	7.2	8.8	7.6	8.8	11.0	8.7	9.2
New	4.4	4.9	4.6	4.7	4.8	5.3	4.3	4.0	4.8	5.0	5.0	6.2	5.2	5.3
Used	2.8	2.7	2.6	2.8	3.1	3.6	2.9	2.5	3.1	2.4	3.0	3.6	2.8	2.8
Uncertain	0.7	0.9	0.9	1.4	1.3	1.2	0.7	0.7	0.9	0.2	0.8	1.2	0.7	1.1
Home														
Yes	3.3	3.1	2.9	3.2	3.1	3.6	3.7	3.1	3.5	3.3	3.5	3.6	3.6	3.9
New	1.1	1.0	1.2	0.8	0.9	0.8	0.9	0.9	1.1	1.3	0.9	1.1	1.2	0.9
Lived in	1.4	1.3	1.2	1.5	1.4	1.6	2.0	1.4	1.6	1.3	1.5	1.6	1.7	1.8
Uncertain	0.8	0.8	0.5	0.9	0.8	1.2	0.8	0.8	0.8	0.7	1.1	0.9	0.7	1.2
Major appliances														
Total plans	27.2	29.5	27.8	27.1	29.5	28.7	25.9	22.7	29.5	28.4	26.5	29.8	37.3	27.5
Refrigerator	3.5	4.5	4.2	3.5	3.8	3.9	3.7	3.2	4.7	4.9	3.7	3.8	4.9	3.7
Washing machine	3.3	3.9	3.9	3.7	3.6	3.9	4.3	2.9	3.8	3.6	3.9	4.3	5.9	3.8
Black and white TV	0.5	1.0	0.7	0.7	0.6	0.8	0.4	0.4	0.5	0.9	0.7	0.5	0.8	0.7
Color TV	7.5	7.8	7.0	7.3	8.1	7.6	7.0	6.4	8.4	7.2	7.0	8.2	10.4	8.1
Vacuum Cleaner	5.2	4.7	5.0	5.1	5.3	4.5	4.0	3.3	4.8	4.2	4.0	5.1	6.0	4.8
Range	2.3	2.9	2.5	2.3	2.9	2.6	2.0	2.3	2.8	2.9	3.1	2.9	3.2	2.5
Clothes dryer	3.4	3.2	2.9	3.2	3.4	3.2	3.0	2.6	3.0	3.3	2.7	3.7	4.5	2.8
Air conditioner	1.5	1.5	1.6	1.3	1.8	2.2	1.5	1.6	1.5	1.4	1.4	1.3	1.6	1.1
Carpet	6.9	7.4	7.0	5.8	7.8	7.0	7.1	5.9	7.5	7.2	7.4	7.4	8.8	7.3
							Vacation Intended Within Six Months: Percent							
Vacation Intended	48.5		45.1		48.9		48.9		50.3		48.7		49.2	
Destination														
Home state	10.5		7.2		9.6		9.3		9.7		9.4		8.8	
Other state	33.6		31.6		33.7		33.8		35.2		34.0		35.4	
Foreign country	6.3		6.8		7.1		8.2		6.9		7.1		6.0	
Means of Travel														
Automobile	30.3		26.5		29.6		30.1		32.1		29.9		29.8	
Airplane	17.3		17.9		19.3		20.0		19.4		19.1		18.3	
Other	3.5		3.7		4.6		5.7		4.3		4.1		3.8	

(p)—preliminary (r)—revised

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein Waters at (212) 759-0900.